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Message Text

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ACTION EB-08

INFO OCT-01 EA-10 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 SS-15
NSC-05 /051 W
----------130544 230346Z /41
P 230322Z DEC 77
FM AMEMBASSY WELLINGTON
TO SECSTATE WASHDC PRIORITY 4639
INFO AMEMBASSY CANBERRA
AMEMBASSY SUVA

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EO 11652: N/A
TAGS: EAIR, NZ, AS, FJ
SUBJECT: CONTINENTAL AIRLINES SERVICE TO NEW ZEALAND

REF: STATE 298155

1. UPON RECEIPT OF REFTEL WE CONVEYED TO THE MINISTRY OF TRANSPORT THE PROPOSED CONTINENTAL SCHEDULE AND REQUESTED THEIR REACTION. IN REPLY THE SECRETARY OF THE MINISTRY (SENIOR CIVIL SERVANT) HAS WRITTEN TO RAISE THE FOLLOWING QUESTIONS CONCERNING THE PROPOSED SERVICE:

2. "I ACKNOWLEDGE RECEIPT OF YOUR LETTER DATED 16 DECEMBER 1977 ENCLOSING THE FILING BY CONTINENTAL AIRLINES TO INAUGURATE THEIR SERVICES INTO NEW ZEALAND. I MUST AT THE OUTSET EXPRESS REAL DISAPPOINTMENT THAT CONTINENTAL AIRLINES HAS CHOSEN TO TAKE THIS ACTION WITHOUT ANY DISCUSSIONS WITH THIS MINISTRY ON THEIR OBJECTIVES, HOW THEY WILL SEEK TO ACHIEVE THEM AND, IN PARTICULAR, THEIR PLANS TO STIMULATE THE MARKET. IN SAYING THIS I AM MINDFUL OF THEIR EXPRESSED INTENTION TO EXPLOIT THE US MAINLAND-PAGO PAGO CABOTAGE FARES, A
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MATTER WHICH WE RAISED IN RECENT DISCUSSIONS WITH REPRESENTATIVES OF THE USCAB AND STATE DEPARTMENT.

3. "WHILE IT IS RECOGNIZED THAT IT WOULD BE PREMATURE, IN THE ABSENCE OF THE NECESSARY GOVERNMENT APPROVALS, FOR CONTINENTAL AIRLINES TO EMBARK ON A PROMOTIONAL CAMPAIGN TO GENERATE NEW TRAFFIC, IT IS DOUBTFUL WHETHER

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THERE WOULD NOW BE SUFFICIENT TIME ONCE A DECISION IS MADE FOR THAT AIRLINE TO MOUNT AN EFFECTIVE CAMPAIGN BEFORE 1 MARCH NEXT YEAR. THIS BEING THE CASE, I HAVE SERIOUS RESERVATIONS ON THE INAUGURATION DATE OF THE PROPOSED SERVICES.

4. "WE HAVE SEVERAL OTHER PROBLEMS WITH THE FILING. IN RECENT MONTHS BOTH AIR NEW ZEALAND AND PAN AMERICAN HAVE INCREASED THEIR CAPACITY TO MATCH TRAFFIC REQUIREMENTS OVER US-NZ ROUTES. CONTINENTAL'S PROPOSAL REPRESENTS A SUBSTANTIAL ADDITIONAL INCREASE IN CAPACITY WHICH, UNDER OUR BILATERAL, MUST BE CONSIDERED IN THE CONTEXT OF THE TOTAL CAPACITY TO BE PROVIDED BY UNITED STATES' DESIGNATED AIRLINES.

5. "AS WE HAVE NOT YET BEEN ADVISED OF PAN AMERICAN'S 1978 PROGRAM IT IS DIFFICULT TO TAKE THE MATTER MUCH FURTHER. YOU WILL RECALL THAT PAN AMERICAN STATED BEFORE THE USCAB DURING THE HEARING OF THE SOUTH PACIFIC CASE THAT IT WOULD REDUCE ITS SERVICES TO THE SOUTH PACIFIC IF A SECOND CARRIER WAS DESIGNATED.

6. "TO ENABLE US TO CONSIDER THE FILING SUBMITTED BY YOU ON BEHALF OF CONTINENTAL AIRLINES WE WOULD THEREFORE APPRECIATE YOUR ADVICE ON THE TOTAL CAPACITY TO BE PROVIDED TO NEW ZEALAND BY US DESIGNATED AIRLINES.
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WE WOULD ALSO REQUIRE DETAILS OF THE FARES, RATES AND CHARGES INTENDED TO BE CHARGED AND MADE BY CONTINENTAL AIRLINES WITH PARTICULAR REFERENCE TO CABOTAGE SECTORS. THE RATE AND BASIS OF CALCULATION OF AGENCY COMMISSIONS AND THE CONDITIONS SUBJECT TO AND IN ACCORDANCE WITH WHICH TARIFFS ARE INTENDED TO APPLY IS ALSO REOUIRED. INFORMATION ON THE AIRCRAFT TYPE PROPOSED TO BE USED AND ITS SEATING CONFIGURATION IS ALSO NECESSARY.

7. "IT WOULD BE HELPFUL TOO IF WE COULD BE ADVISED OF DETAILS OF CONTINENTAL'S PROGRAM, THE DATE PROPOSED FOR ITS INTRODUCTION AND ITS LEVEL OF CONTINUITY."

8. ACTION REQUESTED: WE WOULD APPRECIATE IT IF THE DEPARTMENT COULD PROVIDE US WITH ADDITIONAL INFORMATION AND TALKING POINTS WHICH WE CAN USE WITH THE GNZ IN PURSUING THIS MATTER FURTHER. THE GNZ HOWEVER, WILL BE VIRTUALLY SHUT DOWN OVER THE HOLIDAY SEASON UNTIL JANUARY 4 AND ONLY BACK TO REASONABLE NORMALCY BY JANUARY 15. WE WOULD THEREFORE PREFER TO WAIT BEFORE MAKING OUR APPROACH UNTIL AFTER THE LATTER DATE IN ORDER THAT WE MIGHT BE CERTAIN WE CAN DISCUSS THE

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QUESTION WITH THE RIGHT INDIVIDUALS IN THE MINISTRY.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIRLINES
Control Number: n/a
Copy: SINGLE
Sent Date: 23-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977WELLIN05920
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770478-1109
Format: TEL
From: WELLINGTON
Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19771219/aaaaapzo.tel
Line Count: 118
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Litigation History:
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Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
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Original Previous Classification: n/a
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Page Count: 3
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 298155
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 14-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
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Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 133336
Secure: OPEN
Status: NATIVE
Subject: CONTINENTAL AIRLINES SERVICE TO NEW ZEALAND
TAGS: EAIR, NZ, AS, FJ
To: STATE
Type: TE
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